



General Assembly

January Session, 2013

**Committee Bill No. 196**

LCO No. 4404



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Referred to Committee on GENERAL LAW

Introduced by:  
(GL)

***AN ACT CONCERNING CREDIT BLOCKS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective January 1, 2014*) No person who accepts  
2       credit or debit cards for the retail transaction of business shall, without  
3       the knowledge and consent of the consumer, place or allow a third  
4       party to place a credit block on purchases larger than the actual  
5       purchase amount for goods or services being purchased by the  
6       consumer. For purposes of this section: (1) "Credit block" means an  
7       arrangement between a retailer and an issuer in which the issuer, at  
8       the request of a retailer, before the completion of a purchase, reserves a  
9       specified dollar amount of the customer's purchasing capacity for use  
10      in connection with a purchase initiated by the customer with the  
11      retailer, (2) "issuer" means the entity that issued the credit card or debit  
12      card or an entity that administers credit blocks on behalf of the issuer,  
13      and (3) "capacity" means a dollar amount of available credit in the case  
14      of a credit card, and a dollar amount of the account balance or  
15      overdraft capacity in the case of a debit card.

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>January 1, 2014</i>	New section
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***Statement of Purpose:***

To prohibit credit blocks without the knowledge and consent of the consumer.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. WITKOS, 8th Dist.

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